



Legislation Details (With Text)

File #: 16-446 **Version:** 1

Type: New Business **Status:** Agenda Ready

File created: 9/1/2017 **In control:** City Council

On agenda: 9/12/2017 **Final action:**

Title: PUBLIC HEARING: Consider a proposal to adopt a tax rate of \$0.42750 per \$100 of taxable valuation, and announce the vote on the tax rate will be held at 7:00 p.m. on September 19, 2017 at Keller Town Hall, 1100 Bear Creek Parkway, Keller, Texas; in accordance with Chapter 26.06 of the Texas Tax Code.

Attachments:

Date	Ver.	Action By	Action	Result
9/12/2017	1	City Council		

To: Mark R. Hafner, City Manager

From: Aaron Rector, Director of Finance

Subject:

PUBLIC HEARING: Consider a proposal to adopt a tax rate of \$0.42750 per \$100 of taxable valuation, and announce the vote on the tax rate will be held at 7:00 p.m. on September 19, 2017 at Keller Town Hall, 1100 Bear Creek Parkway, Keller, Texas; in accordance with Chapter 26.06 of the Texas Tax Code.

Action Requested:

This is a public hearing only. No action is being requested or required.

Background:

On August 15, 2017, the Mayor and City Council unanimously (7-0) approved Resolution No. 3912 to consider the adoption of a tax rate exceeding the lower of the effective tax rate or the rollback rate. The tax rate proposed by the Mayor and City Council was \$0.42750.

The 2017-18 proposed budget was prepared with a proposed tax rate of \$0.42750. The proposed rate is a decrease of \$0.0025 from the current rate of \$0.43000. This is the fourth tax rate decrease in a row, and the proposed rate is the lowest tax rate since at least FY 1994. However, the proposed rate exceeds the lower of the effective tax rate (\$0.418194) or the rollback rate (\$0.432694), so the Texas Tax Code requires the City Council to hold two public hearings.

This is the second public hearing. The first was held on Tuesday, Sept. 5, 2017. The vote to adopt the tax rate is scheduled for 7 p.m. on Tuesday, Sept. 19, 2017, at Keller Town Hall, 1100 Bear Creek Parkway, Keller, Texas.

Budget Impact:

The proposed rate would create a levy of \$23,132,822. With the levy, the General Fund fund balance would be at 136 days and minimum policy requires 70 days. The Debt Service Fund fund balance would be 56.4% of bond payments, and policy requires a minimum of 10%. If the effective rate were

adopted, the total levy would be \$22,682,565 and General Fund fund would be out of balance by \$458,268 based upon proposed expenditures.

Financial Considerations:

Adopting the effective rate would result in approximately \$450,257 less revenue from property taxes.

A comparison of average residential levy based on the 2017 average residential taxable value of \$329,840 is provided below:

Current tax rate of \$0.43000 = \$1,418

Proposed budget tax rate of \$0.42750 = \$1,410

Effective tax rate of \$0.418194 = \$1,379

Citizen Input/Board Review:

Not applicable.

Legal Review:

Not applicable.

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial

Council Action:

Public Hearing only, no action to be taken at this time.